

## Option 3 Decision Criteria and Justification

### Options Considered

The three options under consideration on what projects to include in the “Base Case” for the RETI assessment are:

#### **Option 1:**

Projects with “Construction Permits” – Under this option most of the project will be taken out from the current Base Case except Tehachapi 1-3 and Sunrise. (CPUC has been tasked to define the criteria and supporting position for this option.)

#### **Option 2:**

Projects with “Governing Authority Approval and Notice of Intent (NOI)” – Under this option, the TANC project will be added to the current Base Case. Under these criteria other projects such as IID upgrades, Barren Ridge Renewable Transmission Project (BRRTP) and other IOU lines would also meet the threshold to be included in the base case. (SMUD has been tasked to define the criteria and supporting position for this option.)

#### **Option 3:**

Retention of “Status Quo” – Under this option no changes will be made to the existing Base Case.

### Option 3 Criteria

- The criteria that were used for the base assumptions or “System Base Case” were discussed in Phase 1A deliberations and the final determination by the RETI Stakeholder Steering Committee is documented in the Phase 1B Final Report.
  - *“There is a substantial amount of proposed transmission at various stages of development currently. RETI cannot ignore this, as at least a portion of this will be developed. In Phase 1A RETI stakeholders approved criteria for the inclusion of proposed lines in the analysis. These criteria identified the conditions under which proposed transmission would be assumed to be available. If proposed transmission has been approved for development by the CAISO, or by the appropriate decision-maker (i.e. City Council or Publicly Owned Utility Board of Directors) for a non-CAISO jurisdictional line, the transmission would be assumed to be available to transmit energy from renewable resources at its proposed availability date.”* Phase 1B Final Report, Page 3-17.
- The projects that are included in the System Base Case were discussed and approved by RETI Steering Committee (SC) and Coordinating Committee (CC) in the Phase 1B process.
  - *“It is noteworthy that three major transmission projects to access some of these areas are already being built or planned—the Tehachapi Renewable Transmission Project, whose first phase is under construction by Southern California Edison, the Sunrise*

*Powerlink proposed by SDG&E, and Green Path North proposed by Los Angeles Department of Water and Power.” Phase 1B Final Report, Page ES-10 and 11.*

- The projects that were included in the System Base Case are outlined in the Phase 1B Final Report. Some of the reference areas include:
  - *“Discussed in Section 3, RETI assumed CAISO-approved and publicly-owned utility (POU) approved transmission would be constructed, including Southern California Edison’s Tehachapi and Devers-Palo Verde 2 lines, San Diego Gas & Electric’s Sunrise Project, and Imperial Irrigation District’s / Los Angeles Department of Water and Power’s Green Path line. The capital costs for this transmission were assumed to be included in utility transmission rates, and were not considered as an incremental cost to the resources interconnecting to this transmission.” Phase 1B Final Report, Footnote 3, Page 1-5.*
  - *“New transmission is expected to be available, with Imperial Irrigation District approving the Green Path project which allows for the transmission of approximately 1200 MW of Salton Sea-area resources to the Los Angeles area.” Phase 1B Final Report, Page 4-4.*
  - Also Phase 1B Final Report see Tables: 3-10 (Page 3-17), 3-11 (Page 3-18), 3-19 (Page 3-34), 4-4 (Page 4-7), 4-17 (Page 4-33).
  - See also the RETI Phase 1B Final Report update revisions adopted on February 24, 2009 titled *“Clarification of References to Green Path and Green Path North.”*
- WECC Base Case 2018 was agreed for RETI conceptual transmission assessment by the SC and CC and the key transmission project assumption are documented in the Phase 2A work plan.
  - *“Utilize established planning cases already in use by the CAISO and California transmission owners, modified as necessary to reflect base case assumptions developed in Phase 1A. All cases used shall be coordinated in their development and well documented in terms of their key assumptions. Set up benchmark cases with appropriate generation mix. Use CEC 1-in-10 load forecasts for each of the three RETI time periods. Depending on the conceptual plan for connecting each priority CREZ to the existing grid, each renewable generation technology (wind, solar or geothermal) within a CREZ may be modeled as a single generator to reflect differences in expected generator TOD output profiles. Use project output assumptions as specified in Phase 1B report.” Phase 2 Work Plan*
  - As customary done in the WECC project studies, the WECC 2018 Base Case was sent to all of the planning entities for review and concurrence before it was used for the study.
  - Based on WECC rules, major transmission paths that have met Project Rating Phase 2 or higher are allowed to be included in the WECC Base Case.

## **Option 3 Justification**

Here are several reasons why RETI should retain the status quo with regard to the assumptions on what transmission projects to use in the base case:

- It is not a good business practice to change basic study principles and assumptions in the middle of such important system assessment.
- Changing assumptions would require changing many aspects of the system studies, including the modeling of transmission systems, transmission and substation data, and methodology of system assessment. It will require several weeks to redo much of the work that is already done in Phase 2A. Furthermore, it would require undoing many of the reports and tables of Phase 1A and 1B. There is no time to do that to meet the deadlines setup to finish Phase 2A work.
- If Option 1 is to be adopted, it would have a major impact to the WECC 2018 base case since a very large number of key transmission networks in the base case are expected to have no “Construction Permits.” This would cause havoc in the Phase 2A system studies. If any substantial change is made in the base case it has to be reviewed and approved by the impacted utilities before we can use the base case to do our assessment in a timely manner.
- If Option 2 is to be adopted, the key consideration for Green Path North Project is the submission of NOI. For the record, the initial BLM application for Green Path North Project was submitted in 2007. LADWP has been engaged with BLM in the project discussions for several years. Although the LADWP has a plan to submit the Green Path North Project NOI in May 2009, not having the NOI should not be a criteria in this case. The key determinant is the kind of development work that went into the project and the level of commitment the project has by all of the involved parties. LADWP and its partners have spent over \$5 million on the project already. Green Path is a cornerstone project for LADWP as identified in its Integrated Resource Plan (IRP). It has similar considerations for IID and many of the SCPPA participants. Considering NOI as a determinant instead of these very important issues is missing the point in the development of the transmission project.